

# **EXHIBIT 9**

<p style="text-align: right;">Page 1</p> <p>1 IN THE UNITED STATES DISTRICT COURT 2 FOR THE SOUTHERN DISTRICT OF NEW YORK 3 MANHATTAN DIVISION</p> <p>4 DAVIDSON HENAO, MIGUEL ) 5 MERO, OMOBOWALE AVOSEH, ) 6 RASHEEM MARTIN and SHAWN ) 7 WILLIAMS, for themselves and ) 8 and all others similarly ) 9 situated. ) 10 ) 11 Plaintiffs, ) 12 ) 13 -vs- ) Cause No. 19-cv-10720 14 ) (LGS) (BCM) 15 PARTS AUTHORITY, LLC, ) 16 PARTS AUTHORITY, INC., ) 17 YARON ROSENTHAL, NORTHEAST ) 18 LOGISTICS d/b/a "Diligent ) 19 Delivery Systems," et al. ) 20 ) 21 Defendants. )</p> <p>22 DEPOSITION OF DARL PETTY 23 TAKEN ON BEHALF OF THE PLAINTIFFS 24 ON MAY 14, 2021</p> <p>25 Reported by Darla D. Thompson Missouri CCR Number 553 Illinois CSR Number 084-004136</p> <hr/> <p>21 Bi-State Reporting, Inc. 22 1204 Seasons Drive 23 Godfrey, Illinois 62035 24 1204 Seasons Dr 25 Missouri (314)805-6578 Illinois (618)466-2039</p>	<p style="text-align: right;">Page 3</p> <p>1 2 A P P E A R A N C E S 3 4 WEINHAUS &amp; POTASHNICK 5 11500 Olive Blvd., Suite 133 6 St. Louis, Missouri 63141 7 By: Mark A. Potashnick</p> <p>8 FOR THE DEFENDANT 9 DORF &amp; NELSON LLP 10 555 Theodore Fremd Avenue 11 Rye, New York 10580 12 By: Andrew P. Marks, Esq.</p> <p>13 ABRAMS FENSTERMAN 14 160 Linden Oaks, Suite E 15 Rochester, New York 14625 16 By: Sharon Stiller, Esq. 17 Also Present: Maurice Bresenhan, Esq. 18 -o0o- 19 I N D E X 20 PAGE Direct Examination by Mr. Potashnick 4 -o0o- E X H I B I T S</p> <p>21 PLAINTIFF'S 22 EXHIBIT DESCRIPTION PAGE 23 1 Master Client Services Agreement 22 24 2 Contractor Agreement 27 25 3 Arizona Logistics Interrogatory 36 Responses</p>
<p style="text-align: right;">Page 2</p> <p>1 IN THE UNITED STATES DISTRICT COURT 2 FOR THE SOUTHERN DISTRICT OF NEW YORK 3 MANHATTAN DIVISION</p> <p>4 DAVIDSON HENAO, MIGUEL ) 5 MERO, OMOBOWALE AVOSEH, ) 6 RASHEEM MARTIN and SHAWN ) 7 WILLIAMS, for themselves and ) 8 and all others similarly ) 9 situated. ) 10 ) 11 Plaintiffs, ) 12 ) 13 -vs- ) Cause No. 19-cv-10720 14 ) (LGS) (BCM) 15 PARTS AUTHORITY, LLC, ) 16 PARTS AUTHORITY, INC., ) 17 YARON ROSENTHAL, NORTHEAST ) 18 LOGISTICS d/b/a "Diligent ) 19 Delivery Systems," et al. ) 20 ) 21 Defendants. )</p> <p>22 Deposition of Darl Petty, taken to be used in an 23 action pending in the United States District Court, 24 of the State of New York, pursuant to agreement 25 between counsel, under the provision of Rule 33.3 of the Rules of Civil Procedure, taken on 14th day of May 2021, between the hours of eight o'clock in the forenoon and six o'clock in the afternoon of that day via teleconference in the City of New York, State of New York, before Darla D. Thompson, CCR, in a certain cause now pending in the United States District Court of New York, wherein Davidson Henao, et al. Are Plaintiffs and Parts Authority, LLC, et al. Are Defendants; taken on behalf of Plaintiffs.</p>	<p style="text-align: right;">Page 4</p> <p>1 MR. MARKS: Mark, can I say that 2 Maurice Bresenhan is present with 3 Mr. Petty. 4 MR. POTASHNICK: And who is 5 Mr. Bresenhan? 6 MR. MARKS: Mr. Bresenhan is a lawyer 7 for Diligent Delivery systems. 8 I would also like to, for the record, 9 reserve our right to review and sign the 10 deposition. One other thing, if I may, 11 for the record, this is a 30(b)6 12 deposition of Arizona Logistics and BBB 13 Logistics. We are presenting Mr. Petty to 14 testify on behalf of both entities. 15 DARL PETTY, 16 of lawful age, being first duly sworn to tell the 17 truth, the whole truth, and nothing but the truth, 18 deposes and says on behalf of the Plaintiffs. 19 DIRECT EXAMINATION 20 QUESTIONS BY MR. POTASHNICK: 21 Q. Mr. Petty, my name is Mark Potashnick. 22 I'm an attorney. I represent the plaintiffs in a 23 claim filed against Arizona Logistics, BBB Logistics 24 Northeast Logistics, Michigan Logistics, Parts 25 Authority and some individuals in the United States</p>

<p style="text-align: right;">Page 5</p> <p>1 District Court for the southern district of 2 New York.</p> <p>3 I am going to ask you a series of 4 questions. If you don't understand the question, 5 just ask and I'll be glad to explain or rephrase, as 6 necessary.</p> <p>7 A couple of ground rules. I ask that you 8 answer with a verbal response, such as a yes or no 9 rather than a physical gesture such as a nod or 10 shake of the head so that we can get down a clean 11 transcript. I ask that you use terms such as yes 12 and no, where appropriate, rather than uh-huh and 13 huh-uh because the uh-huhs and huh-uhs are sometimes 14 difficult to interpret when you see them later in a 15 transcript.</p> <p>16 I'll do my best today to let you finish 17 your answers in full before I begin my next 18 question. And I would ask that you try to do the 19 same, let me ask my questions in full before you 20 begin your answer. That way we wouldn't be talking 21 over each other, and the court reporter will be able 22 to take down a clean and accurate transcript.</p> <p>23 If you need a break, that's fine. Just 24 ask. I just ask that a break not be requested 25 between a question and answer.</p>	<p style="text-align: right;">Page 7</p> <p>1 couple of employees in the field; namely, Jerry 2 Curcio and Tom Baker. And I read other documents, 3 my deposition from a couple of years ago and some 4 other things that were prompted by my attorneys to 5 kind of refresh and review in case it became 6 relevant today.</p> <p>7 <b>Q. You said you spoke with some employees</b> 8 here. By "here," did you mean at your office?</p> <p>9 A. Yes. In Houston. I spoke with Camille 10 Harvey, Gina Volking, Carlos Navarro briefly just 11 about his deposition, Doak Medchill, briefly.</p> <p>12 <b>Q. What is Camille Harvey's position?</b> 13 A. She is the manager of our ICR department, 14 which is independent contractor resources.</p> <p>15 <b>Q. Who is Camille Harvey employed by?</b> 16 A. Norlyn Enterprises.</p> <p>17 <b>Q. You said Gina Volking; did I get that</b> 18 right?</p> <p>19 A. Correct.</p> <p>20 <b>Q. How do you spell Mrs. Volking's last name?</b> 21 A. V-O-L-K-I-N-G.</p> <p>22 <b>Q. What is Mrs. Volking's position of</b> 23 <b>employment?</b> 24 A. She's the manager of our accounting -- our 25 primary accounting processes.</p>
<p style="text-align: right;">Page 6</p> <p>1 Do you understand these instructions? 2 A. Yes.</p> <p>3 <b>Q. Thank you. Please state your full name</b> 4 for the record.</p> <p>5 A. Darl Petty.</p> <p>6 <b>Q. Mr. Petty, by whom are you employed?</b> 7 A. Norlyn Enterprises, Inc.</p> <p>8 <b>Q. What is your business address?</b> 9 A. 9200 Derrington Road, Houston, Texas 10 77064.</p> <p>11 <b>Q. How long have you been employed by Norlyn</b> 12 <b>Enterprises?</b> 13 A. It will be eight years in June.</p> <p>14 <b>Q. What is your position of employment with</b> 15 <b>Norlyn Enterprises?</b> 16 A. Chief financial officer.</p> <p>17 <b>Q. What did you do to prepare for today's</b> 18 <b>deposition?</b> 19 A. I spoke with Drew Marks, Maurice 20 Bresenhan, attorney. I read the answers to the 21 interrogatories that we were provided recently. I 22 spoke with a couple of the employees, that I work 23 alongside with here, to check on a couple of things 24 related to some of the things that came out of the 25 discussion with the attorneys. I spoke with a</p>	<p style="text-align: right;">Page 8</p> <p>1 <b>Q. Who is Ms. Volking employed by?</b> 2 A. Norlyn Enterprises.</p> <p>3 <b>Q. You mentioned Carlos Navarro?</b> 4 A. Yes.</p> <p>5 <b>Q. What is his position?</b> 6 A. He's chief information officer.</p> <p>7 <b>Q. Who is Mr. Navarro employed by?</b> 8 A. Norlyn Enterprises.</p> <p>9 <b>Q. You said Doak Medchill. Is that D-O-A-K?</b> 10 A. Correct. It's not Mitchell. It's 11 Medchill, M-E-D-C-H-I-L-L.</p> <p>12 <b>Q. What is Mr. Medchill's position of</b> 13 <b>employment?</b> 14 A. Chief operating officer of Norlyn 15 Enterprises.</p> <p>16 <b>Q. Who is Mr. Medchill's employer?</b> 17 A. Norlyn Enterprises.</p> <p>18 <b>Q. You said you spoke with employees in the</b> 19 <b>field. Who were you referring to?</b> 20 A. Tom Baker and Jerry Curcio.</p> <p>21 <b>Q. What is Tom Baker's position of</b> 22 <b>employment?</b> 23 A. He's general manager of BBB Logistics, 24 Inc.</p> <p>25 <b>Q. Who is Mr. Baker employed by?</b></p>

<p style="text-align: right;">Page 9</p> <p>1 A. BBB Logistics, Inc.</p> <p>2 <b>Q. What is Jerry Curcio's position of</b></p> <p>3 <b>employment?</b></p> <p>4 A. He's general manager of Northeast</p> <p>5 Logistics, Inc.</p> <p>6 <b>Q. I take it he is employed by Northeast</b></p> <p>7 <b>Logistics, Inc.?</b></p> <p>8 A. He is.</p> <p>9 <b>Q. You said you reviewed your deposition from</b></p> <p>10 <b>a couple of years ago; did I get that right?</b></p> <p>11 A. Yes.</p> <p>12 <b>Q. Was that in the Department of Labor</b></p> <p>13 <b>litigation against Arizona Logistics?</b></p> <p>14 A. I believe it was, yes.</p> <p>15 <b>Q. Did you find any testimony in there that</b></p> <p>16 <b>you found to be incorrect or that you wanted to</b></p> <p>17 <b>change?</b></p> <p>18 MR. MARKS: Objection; that goes</p> <p>19 beyond the scope of this deposition.</p> <p>20 <b>Q. (By Mr. Potashnick) Your answer, please.</b></p> <p>21 MR. MARKS: You don't have to answer</p> <p>22 that. It's beyond the scope of this</p> <p>23 deposition.</p> <p>24 MR. POTASHNICK: Just to be clear,</p> <p>25 are you instructing the witness not to</p>	<p style="text-align: right;">Page 11</p> <p>1 <b>Q. What kind of matter was that?</b></p> <p>2 A. It was a company completely unrelated to</p> <p>3 Diligence. A construction company that I have a</p> <p>4 minority equity interest in. And we sued our former</p> <p>5 attorney for theft, and his attorney deposed us in</p> <p>6 that.</p> <p>7 <b>Q. What is your highest level of education</b></p> <p>8 <b>completed?</b></p> <p>9 A. A bachelors degree.</p> <p>10 <b>Q. Where did you get that?</b></p> <p>11 A. Texas A&amp;M University.</p> <p>12 <b>Q. About what year?</b></p> <p>13 A. 1992.</p> <p>14 <b>Q. What is your bachelors in?</b></p> <p>15 A. Finance.</p> <p>16 <b>Q. What are your day-to-day duties as the CFO</b></p> <p>17 <b>or Norlyn Enterprises?</b></p> <p>18 A. Of Norlyn Enterprises? Analyzing</p> <p>19 financial performance, preparing financial</p> <p>20 statements, contributing to a wide variety of</p> <p>21 operational decisions regarding customers and</p> <p>22 internal processes and so forth. Interfacing with</p> <p>23 our bank and other lenders, pursuing acquisitions.</p> <p>24 Those are the primary things.</p> <p>25 <b>Q. Are you also the CFO of BBB Logistics?</b></p>
<p style="text-align: right;">Page 10</p> <p>1 answer that?</p> <p>2 MR. MARKS: Yes. It's beyond the</p> <p>3 scope of what is permitted to ask in this</p> <p>4 deposition. It is not a 30(b)6 of BBB or</p> <p>5 Arizona Logistics. And you are asking him</p> <p>6 something that is unrelated to this case.</p> <p>7 So, yes, it's beyond to scope and I am</p> <p>8 directing him not to answer that.</p> <p>9 <b>Q. (By Mr. Potashnick) You mentioned another</b></p> <p>10 <b>category of documents that you looked at to prepare</b></p> <p>11 <b>for today deposition. What were those documents?</b></p> <p>12 A. A list of past employees of Arizona and</p> <p>13 BBB. Some responses to interrogatories of when</p> <p>14 Larry Brown answered some questions. A Master</p> <p>15 Client Services Agreement, a Contractor Agreement</p> <p>16 from 2017, I think, is what it was called. And,</p> <p>17 then, I didn't really read them all but a bunch of</p> <p>18 just corporate organizational documents. You know,</p> <p>19 articles of incorporation and things that were</p> <p>20 established and legal entities. I think that's</p> <p>21 everything.</p> <p>22 <b>Q. Other than the deposition a couple of</b></p> <p>23 <b>years ago in the D.O.O. matter in Arizona Logistics,</b></p> <p>24 <b>have you been deposed or given testimony under oath?</b></p> <p>25 A. Only one time prior to that.</p>	<p style="text-align: right;">Page 12</p> <p>1 A. Yes.</p> <p>2 <b>Q. Are you also the CFO of Arizona Logistics,</b></p> <p>3 <b>Inc.?</b></p> <p>4 A. Yes.</p> <p>5 <b>Q. Are you also the CFO of Northeast</b></p> <p>6 <b>Logistics?</b></p> <p>7 A. Yes.</p> <p>8 <b>Q. Are you also the CFO of Michigan</b></p> <p>9 <b>Logistics?</b></p> <p>10 A. Yes.</p> <p>11 <b>Q. What are your duties as the CFO of BBB</b></p> <p>12 <b>Logistics?</b></p> <p>13 A. To prepare their financial statements.</p> <p>14 Occasionally, contribute to discussions about, you</p> <p>15 know, just the basic business, the sales growth and</p> <p>16 some -- very rarely, but sometimes random</p> <p>17 operational things that I'll be drawn into by other</p> <p>18 people that are working on things. That's kind of</p> <p>19 it, really.</p> <p>20 <b>Q. What are your duties as the CFO of Arizona</b></p> <p>21 <b>Logistics, Inc.?</b></p> <p>22 A. The same. Just preparing their financial</p> <p>23 statements and, you know, as CFO, contributing to,</p> <p>24 you know, group discussions of whatever matters are</p> <p>25 going on, dealing with legal issues for both, I</p>

<p style="text-align: right;">Page 13</p> <p>1 should add. Such as this. Obviously, I was,</p> <p>2 specifically, requested to do this. So I would have</p> <p>3 to include that in the list.</p> <p>4 <b>Q. What are your duties as CFO of Northeast</b></p> <p>5 <b>Logistics?</b></p> <p>6 A. The same as the other two. Preparing</p> <p>7 financial statements. Getting involved, when</p> <p>8 needed, with optional decisions and discussions that</p> <p>9 may be being made about whatever is going on at the</p> <p>10 moment. And dealing with legal issues, if I am</p> <p>11 asked to help out on that.</p> <p>12 <b>Q. What are your duties as CFO or chief</b></p> <p>13 <b>financial officer of Michigan Logistics?</b></p> <p>14 A. The same as the others. Preparing their</p> <p>15 financial statements, interfacing with local</p> <p>16 management or other people here. If there's a</p> <p>17 decision to be made that they would like me to help</p> <p>18 make or analyze or so forth. And dealing with legal</p> <p>19 matters like this, when I'm needed.</p> <p>20 <b>Q. Do you have any role with respect to pay</b></p> <p>21 <b>practices of delivery drivers?</b></p> <p>22 A. Not in deciding how much drivers are paid,</p> <p>23 but you could say I have a role in the sense that if</p> <p>24 I analyze their financial statements and I see some</p> <p>25 information that leads me to believe they are paying</p>	<p style="text-align: right;">Page 15</p> <p>1 Northeast, Arizona, Michigan and BBB, then</p> <p>2 that's fine. Otherwise, please define the</p> <p>3 term company that you talked about.</p> <p>4 <b>Q. (By Mr. Potashnick) If I refer to your</b></p> <p>5 <b>office as the home office, will you know what I</b></p> <p>6 <b>mean?</b></p> <p>7 A. Norlyn, yes. That's fine.</p> <p>8 <b>Q. Does anybody at Norlyn oversee decisions</b></p> <p>9 <b>about how much delivery drivers should be paid?</b></p> <p>10 A. The operation team and the sales</p> <p>11 department both play a role in that. But the</p> <p>12 general manager -- you know, they do it alongside --</p> <p>13 whichever managers are at whichever company that</p> <p>14 they are in discussions with. BBB would be</p> <p>15 different people than Northeast Logistics.</p> <p>16 <b>Q. If I refer to BBB Logistics, Arizona</b></p> <p>17 <b>Logistics, Northeast Logistics and Michigan</b></p> <p>18 <b>Logistics, collectively, as the operating companies,</b></p> <p>19 <b>is that acceptable to you? Will you know what I</b></p> <p>20 <b>mean?</b></p> <p>21 A. Yes.</p> <p>22 <b>Q. Who at Norlyn were you referring to that</b></p> <p>23 <b>has a role in determining how much the delivery</b></p> <p>24 <b>drivers of the operating companies are paid?</b></p> <p>25 MR. MARKS: Object. This misstates</p>
<p style="text-align: right;">Page 14</p> <p>1 drivers too much or if I know there is business that</p> <p>2 they are not able to obtain because they can't get</p> <p>3 drivers, then I might get involved with the</p> <p>4 discussion. But, generally, that would be somebody</p> <p>5 else bringing it to me rather than me finding it.</p> <p>6 <b>Q. Do those discussions occur with respect to</b></p> <p>7 <b>BBB Logistics?</b></p> <p>8 A. Yes. The same with all the others.</p> <p>9 <b>Q. Just so the record is clear, when you say</b></p> <p>10 <b>all the others, you are referring to Arizona</b></p> <p>11 <b>Logistics, Northeast Logistics, and Michigan</b></p> <p>12 <b>Logistics?</b></p> <p>13 A. Correct. My role with each of those is</p> <p>14 pretty identical.</p> <p>15 <b>Q. Who determines how much delivery drivers</b></p> <p>16 <b>should be paid at your company?</b></p> <p>17 A. The general managers of each respective</p> <p>18 business unit. So at BBB, it would be Tom Baker and</p> <p>19 his direct report Wendi Varner. And, then, at</p> <p>20 Northeast, it would be Jerry Curcio.</p> <p>21 MR. MARKS: I know I missed this, but</p> <p>22 let me object to the form because your</p> <p>23 question was "at your company." "Company"</p> <p>24 is not a client term that we are using.</p> <p>25 If you mean the four entities,</p>	<p style="text-align: right;">Page 16</p> <p>1 his prior testimony.</p> <p>2 You can go ahead and answer.</p> <p>3 A. The operations department, which is led by</p> <p>4 Doak Medchill, the chief operating officer, and a</p> <p>5 handful of people there. You know, Mark Stevens,</p> <p>6 Andy Van, upon what's happening. And then the sales</p> <p>7 department, you know, in a way, Scott Bruder, would</p> <p>8 perhaps have a role in how much the drivers would be</p> <p>9 paid, based on what we think the client will pay for</p> <p>10 such -- for delivery services.</p> <p>11 <b>Q. You said Doak Mudchell, and he was</b></p> <p>12 <b>mentioned earlier. You said Mark Stevens. What is</b></p> <p>13 <b>Mark Stevens' position?</b></p> <p>14 A. I think his title is national director of</p> <p>15 operations, but he's really more of an analyst,</p> <p>16 analytical operations guy that looks at data and</p> <p>17 helps figure out costs. And using logistics data,</p> <p>18 he figures out what the cost of providing delivery</p> <p>19 services would be. That's a big part of what he</p> <p>20 does.</p> <p>21 <b>Q. Who is Mark Stevens employed by?</b></p> <p>22 A. Norlyn Enterprises.</p> <p>23 <b>Q. You said -- did I get it right, Andy Van?</b></p> <p>24 A. Yes.</p> <p>25 <b>Q. How do you spell that last name?</b></p>

<p style="text-align: right;">Page 17</p> <p>1 A. His real name is, like, VanHaverbeke. I</p> <p>2 could guess how to spell it. I just call him Andy</p> <p>3 Van.</p> <p>4 <b>Q. Can you give us your best estimate of the</b></p> <p>5 <b>spelling of his last name?</b></p> <p>6 A. I think it's V-A-N-H-A-V-E-B-E-K-E. I</p> <p>7 probably butchered that.</p> <p>8 <b>Q. V-A-N-H-A-V-B-E-K-E?</b></p> <p>9 A. Yes. I think that's it.</p> <p>10 <b>Q. Is the H capitalized as a separate word?</b></p> <p>11 A. I don't think it is, but I'm not sure.</p> <p>12 <b>Q. What is Andy VanHaverbeke's position of</b></p> <p>13 <b>employment?</b></p> <p>14 A. He is executive vice president over</p> <p>15 national operations. I'm not sure if that's his</p> <p>16 exact title, but he is employed by Norlyn</p> <p>17 Enterprises.</p> <p>18 <b>Q. After Andy VanHaverbeke, did you mention</b></p> <p>19 <b>any other persons when you were talking about people</b></p> <p>20 <b>in Norlyn's operations department that have a role</b></p> <p>21 <b>in delivery driver pay?</b></p> <p>22 A. No, I did not.</p> <p>23 <b>Q. You mentioned Scott Bruder in the sales</b></p> <p>24 <b>department. What is Scott Bruder's position of</b></p> <p>25 <b>employment?</b></p>	<p style="text-align: right;">Page 19</p> <p>1 A. Doak Medchill, the COO; Scott Bruder,</p> <p>2 sales; Brenda Soto, human resources. That's</p> <p>3 really -- as far as his direct reports, that's</p> <p>4 really it.</p> <p>5 <b>Q. You said DeSoto?</b></p> <p>6 A. Brenda Soto, S-O-T-O.</p> <p>7 <b>Q. Brenda Soto. Okay. What is Brenda Soto's</b></p> <p>8 <b>position?</b></p> <p>9 A. She's manager of the human resources</p> <p>10 department.</p> <p>11 <b>Q. Who is Brenda Soto employed by?</b></p> <p>12 A. Norlyn Enterprises.</p> <p>13 <b>Q. Does Brenda Soto oversee human resources</b></p> <p>14 <b>at the operating companies we have been talking</b></p> <p>15 <b>about, again: BBB Logistics, Arizona Logistics,</b></p> <p>16 <b>Northeast Logistics and Michigan Logistics?</b></p> <p>17 A. Yeah. I wouldn't say oversee. She</p> <p>18 provides a human resources support to the managers</p> <p>19 of those companies, but.</p> <p>20 <b>Q. What kind of human resources support does</b></p> <p>21 <b>Brenda Soto provide to the managers of the operating</b></p> <p>22 <b>companies?</b></p> <p>23 A. Recruiting new employees. If there's some</p> <p>24 sort of a disciplinary action where a manager wanted</p> <p>25 to write up an employee for something they did,</p>
<p style="text-align: right;">Page 18</p> <p>1 A. That's Bruder, B-R-U-D-E-R.</p> <p>2 <b>Q. Thank you.</b></p> <p>3 A. He's, basically, just a sales guy. He</p> <p>4 kind of/sort of is the sales department head, but we</p> <p>5 don't really have a sales department, so.</p> <p>6 <b>Q. Who is Scott Bruder employed by?</b></p> <p>7 A. Norlyn Enterprises.</p> <p>8 <b>Q. Who do you report to?</b></p> <p>9 A. Larry Brown.</p> <p>10 <b>Q. Who else -- I'm sorry. What is Larry</b></p> <p>11 <b>Brown's position of employment?</b></p> <p>12 A. He's president and chief executive officer</p> <p>13 of Norlyn Enterprises.</p> <p>14 <b>Q. Is Mr. Brown also the president and CEO of</b></p> <p>15 <b>the operating companies we've talked about: BBB</b></p> <p>16 <b>Logistics, Arizona Logistics, Michigan Logistics and</b></p> <p>17 <b>Northeast Logistics?</b></p> <p>18 A. He is.</p> <p>19 <b>Q. Does Mr. Brown report to anybody or is he</b></p> <p>20 <b>the top of the hierarchy at Norlyn?</b></p> <p>21 A. He is the top of hierarchy.</p> <p>22 <b>Q. Is Mr. Brown the top of hierarchy at the</b></p> <p>23 <b>operating companies?</b></p> <p>24 A. Yes.</p> <p>25 <b>Q. Who else reports directly to Mr. Brown?</b></p>	<p style="text-align: right;">Page 20</p> <p>1 Brenda could help them with that, or a termination,</p> <p>2 for that matter, of an employee. And facilitating.</p> <p>3 Anything in the payroll -- not the payroll but the</p> <p>4 employee profile records. If somebody's</p> <p>5 fifth anniversary was coming up and we were going to</p> <p>6 give them a gift card or something, Brenda would</p> <p>7 probably be the person to alert everybody that their</p> <p>8 fifth anniversary was coming up. Those sort of the</p> <p>9 things.</p> <p>10 <b>Q. Who is over payroll of delivery drivers at</b></p> <p>11 <b>the operating companies?</b></p> <p>12 A. Well, if the drivers are contractors, we</p> <p>13 don't really have a payroll. We settle their vendor</p> <p>14 payments that they are owed. And that is a process</p> <p>15 where we say -- who is over it, was that your</p> <p>16 question?</p> <p>17 <b>Q. Yes.</b></p> <p>18 A. So the managers, in the field, who have</p> <p>19 contracted those drivers, are over -- "over" being a</p> <p>20 little nebulous -- they are the ones making the</p> <p>21 engagement and, thus, establishing, you know, how</p> <p>22 much the drivers want to be paid and creating the</p> <p>23 engagement to have the drivers paid.</p> <p>24 Who, actually executes the payment and</p> <p>25 makes sure the funds get into the drivers' account</p>

<p style="text-align: right;">Page 21</p> <p>1 would be the accounting department; specifically</p> <p>2 managed and overseen by Gina Volking, who I</p> <p>3 mentioned earlier.</p> <p>4 <b>Q. That's the accounting department at Norlyn</b></p> <p>5 <b>Enterprises or the home office?</b></p> <p>6 A. Yes, Norlyn Enterprises.</p> <p>7 <b>Q. Is Gina Volking over that task of making</b></p> <p>8 <b>sure that the delivery drivers are paid for all the</b></p> <p>9 <b>operating companies that we have been talking about?</b></p> <p>10 A. She is, yes.</p> <p>11 <b>Q. Who reports to you?</b></p> <p>12 A. Fe Cruz. That's F-E. Last name C-R-U-Z.</p> <p>13 That's, technically, my only direct report.</p> <p>14 <b>Q. Is Fe a woman?</b></p> <p>15 A. Yes.</p> <p>16 <b>Q. What is Fe's position of employment?</b></p> <p>17 A. Controller.</p> <p>18 <b>Q. Who is Fe employed by?</b></p> <p>19 A. Norlyn Enterprises.</p> <p>20 <b>Q. Does anybody report to you, indirectly?</b></p> <p>21 A. Yeah.</p> <p>22 MR. MARKS: I'll object to the form</p> <p>23 of the question.</p> <p>24 Go ahead.</p> <p>25 A. I wouldn't say report to me, indirectly,</p>	<p style="text-align: right;">Page 23</p> <p>1 A. It's a Client Services Agreement with</p> <p>2 Parts Authority.</p> <p>3 <b>Q. It says, "This agreement is made and</b></p> <p>4 <b>entered into the 30th day of August 2010, by and</b></p> <p>5 <b>between Diligent Delivery Systems, hereinafter</b></p> <p>6 <b>Diligent, whose corporate office is located at" and</b></p> <p>7 <b>so forth."</b></p> <p>8 Did you see where I read from, at the top?</p> <p>9 A. Yes.</p> <p>10 <b>Q. Is Diligent Delivery Systems a corporation</b></p> <p>11 <b>or is that a fictitious name?</b></p> <p>12 A. It's an assumed name.</p> <p>13 <b>Q. Is it an assumed name used by all the</b></p> <p>14 <b>operating companies that we have been talking about</b></p> <p>15 <b>today?</b></p> <p>16 A. Yes.</p> <p>17 <b>Q. Which of the operating agreements or all</b></p> <p>18 <b>of them entered into this contract as Diligent</b></p> <p>19 <b>Delivery Systems?</b></p> <p>20 A. I believe, at this time when this was</p> <p>21 written in 2010, it would be Northeast Logistics,</p> <p>22 Inc.</p> <p>23 <b>Q. Did other operating companies later join</b></p> <p>24 <b>this agreement?</b></p> <p>25 A. I'm not certain if they joined this</p>
<p style="text-align: right;">Page 22</p> <p>1 but, you know, various people come to me for -- to</p> <p>2 talk about the business.</p> <p>3 <b>Q. Do you supervise anybody other than</b></p> <p>4 <b>Fe Cruz?</b></p> <p>5 A. No.</p> <p>6 (The Court Reporter marked Plaintiff's</p> <p>7 Exhibit 1.)</p> <p>8 <b>Q. (By Mr. Potashnick) Let's take a look at a</b></p> <p>9 <b>document that I provided to your counsel yesterday</b></p> <p>10 <b>called Master Client Services Agreement. I believe</b></p> <p>11 <b>it's one of the documents that you mentioned looking</b></p> <p>12 <b>at in preparation for today's deposition.</b></p> <p>13 A. Which document? The Master Service</p> <p>14 Agreement or the Contract Agreement for 2017.</p> <p>15 <b>Q. Master Client Services Agreement.</b></p> <p>16 Mr. Petty, do you have that document in</p> <p>17 front of you?</p> <p>18 A. Yes.</p> <p>19 <b>Q. I've seen two versions of this document.</b></p> <p>20 Does the version you have, have numbers stamped at</p> <p>21 the top, Case 2:16-cv-04499-DLR?</p> <p>22 A. Yes.</p> <p>23 <b>Q. Good. Do you recognize this document?</b></p> <p>24 A. Yes.</p> <p>25 <b>Q. Can you identify that for us, please?</b></p>	<p style="text-align: right;">Page 24</p> <p>1 agreement or, like I see here, there is an addendum</p> <p>2 written. It looks like it adds Arizona Logistics.</p> <p>3 So I guess they joined.</p> <p>4 <b>Q. When you refer to the addendum, can you</b></p> <p>5 <b>given me the page number by the numbers in the lower</b></p> <p>6 <b>right-hand corner, please.</b></p> <p>7 A. BA 0411.</p> <p>8 <b>Q. Did Michigan Logistics ever enter this or</b></p> <p>9 <b>ever join this Master Client Services Agreement?</b></p> <p>10 A. I don't know.</p> <p>11 <b>Q. Did BBB Logistics ever join this Master</b></p> <p>12 <b>Client Services Agreement?</b></p> <p>13 A. I don't see them on here, so I don't know.</p> <p>14 <b>Q. Who negotiated this Master Client Services</b></p> <p>15 <b>Agreement on behalf of Diligent?</b></p> <p>16 A. I didn't join Norlyn until 2017, so I</p> <p>17 wouldn't know for sure. But since it is signed by</p> <p>18 Scott Bruder, I would assume he had a hand in it.</p> <p>19 <b>Q. Do you know if Larry Brown participated in</b></p> <p>20 <b>negotiating this Master Client Services Agreement?</b></p> <p>21 A. I do not. I wasn't here.</p> <p>22 MR. POTASHNICK: While I'm thinking</p> <p>23 about it, let's call this Master Client</p> <p>24 Service Agreement, Exhibit 1, please,</p> <p>25 Darla.</p>

<p style="text-align: right;">Page 25</p> <p>1 A. Exhibit 1, okay.</p> <p>2 <b>Q. (By Mr. Potashnick) Did you look into</b></p> <p>3 <b>whether Larry Brown looked into negotiating this</b></p> <p>4 <b>Master Client Services Agreement as part of your</b></p> <p>5 <b>preparation for today's deposition?</b></p> <p>6 A. I did not.</p> <p>7 <b>Q. In 2010, did Scott Bruder report to Larry</b></p> <p>8 <b>Brown?</b></p> <p>9 A. He did.</p> <p>10 <b>Q. Other than Scott Bruder, do you know who,</b></p> <p>11 <b>on behalf of Diligent Delivery Systems, participated</b></p> <p>12 <b>in the negotiation, review or approval of this</b></p> <p>13 <b>Michigan Client Services Agreement?</b></p> <p>14 A. I don't know, but I would assume Jerry</p> <p>15 Curcio and perhaps Tony Carter.</p> <p>16 <b>Q. What is Tony Carter's position?</b></p> <p>17 A. He's no longer with Norlyn, but he was a</p> <p>18 chief operating officer. Actually, you know what,</p> <p>19 I'm not even sure he was here in 2010, but he may</p> <p>20 have been. It was before my time.</p> <p>21 <b>Q. Did he hold the same position as</b></p> <p>22 <b>Mr. Medchill but before Mr. Medchill?</b></p> <p>23 A. Correct.</p> <p>24 <b>Q. You mentioned Jerry Curcio. What was his</b></p> <p>25 <b>position in 2010?</b></p>	<p style="text-align: right;">Page 27</p> <p>1 <b>Q. If you look at the page Bates labeled</b></p> <p>2 <b>PA 0415, which is the last page of this document</b></p> <p>3 <b>does that give you any information about who</b></p> <p>4 <b>negotiated or approved the addendum for Arizona</b></p> <p>5 <b>Logistics?</b></p> <p>6 A. It's signed by Scott Bruder, so he was --</p> <p>7 I guess his title there is chief sales officer. You</p> <p>8 were asking earlier. So there you have it.</p> <p>9 <b>Q. As of this date in 2012 shown on Bates</b></p> <p>10 <b>page PA 0415, did Mr. Bruder report directly to</b></p> <p>11 <b>Larry Brown?</b></p> <p>12 A. He did. I wasn't here then, but I know he</p> <p>13 did.</p> <p>14 <b>Q. Is this Master Client Services Agreement,</b></p> <p>15 <b>that we marked as Exhibit 1, still in effect today?</b></p> <p>16 A. That, I don't know because there has been</p> <p>17 a little confusion regarding this other document</p> <p>18 floating around.</p> <p>19 <b>Q. When you say this other document floating</b></p> <p>20 <b>around, what document are you referring to?</b></p> <p>21 A. I think it's called a Contractor Agreement</p> <p>22 from 2017.</p> <p>23 <b>Q. Let's make that document, the Contractor</b></p> <p>24 <b>Agreement, Exhibit 2. And I would like to bring</b></p> <p>25 <b>that one to your attention, Mr. Petty.</b></p>
<p style="text-align: right;">Page 26</p> <p>1 A. General manager of Northeast Logistics,</p> <p>2 Inc. Again, before my time, but I'm pretty sure</p> <p>3 that he was here then, that he was general manager</p> <p>4 then of Northeast Logistics.</p> <p>5 <b>Q. Do you know whether Mr. Curcio was</b></p> <p>6 <b>involved in the negotiation of this Master Client</b></p> <p>7 <b>Services Agreement, or is that just an assumption on</b></p> <p>8 <b>your part?</b></p> <p>9 A. It's an assumption. I don't know. Well,</p> <p>10 I guess, I'm assuming everything because I literally</p> <p>11 didn't work with these guys in 2010, but I would</p> <p>12 presume that Jerry would be involved in negotiating</p> <p>13 the terms and pricing of the agreement but probably</p> <p>14 not the language in the agreement. I'm assuming</p> <p>15 that, I guess.</p> <p>16 <b>Q. When this addendum, in which Arizona</b></p> <p>17 <b>Logistics joined, the Master Client Services</b></p> <p>18 <b>Agreement, was negotiated or approved, who, for</b></p> <p>19 <b>Diligent Delivery Systems, negotiated or approved</b></p> <p>20 <b>the addendum?</b></p> <p>21 A. Again, it was dated 2010 also, and even if</p> <p>22 it wasn't, you know, I wouldn't have been involved.</p> <p>23 I could assume that Scott Bruder negotiated it and</p> <p>24 probably ran it by Tony Carter, and Tony might have</p> <p>25 ran it by Larry. I don't know.</p>	<p style="text-align: right;">Page 28</p> <p>1 A. Okay.</p> <p>2 (The Court Reporter marked Plaintiff's</p> <p>3 Exhibit 2.)</p> <p>4 <b>Q. (By Mr. Potashnick) Have you had a chance</b></p> <p>5 <b>to locate it?</b></p> <p>6 A. I have it in front of me.</p> <p>7 <b>Q. Mr. Petty, can you identify this document</b></p> <p>8 <b>for us marked as Exhibit 2, please.</b></p> <p>9 A. Yeah. Only to the extent of I'm just</p> <p>10 seeing this for the first time in getting ready for</p> <p>11 this process, but it's titled Contractor Agreement</p> <p>12 dated September 27, 2017, between Parts Authority</p> <p>13 and Diligent Delivery Systems.</p> <p>14 <b>Q. Is this the document you were referring to</b></p> <p>15 <b>a moment ago when you said there is some confusion</b></p> <p>16 <b>about which document is in effect?</b></p> <p>17 A. Correct.</p> <p>18 MR. MARKS: That misstate his</p> <p>19 testimony.</p> <p>20 But go ahead.</p> <p>21 <b>Q. (By Mr. Potashnick) On Exhibit 2, it says</b></p> <p>22 <b>that this agreement -- in the first paragraph, "This</b></p> <p>23 <b>agreement is made and entered on September 27, 2017,</b></p> <p>24 <b>by and between Parts Authority, LLC, including its</b></p> <p>25 <b>parents, subsidiaries and affiliates with its</b></p>



<p style="text-align: right;">Page 29</p> <p>1 principal office located at 3 Dakota Drive, Suite  2 110, New Hyde Park, New York 11402, hereinafter  3 referred to as customer and Diligent Delivery  4 Systems with its principal office located at" and so  5 forth.  6 Which of the operating companies entered  7 into this agreement with Parts Authority, LLC?  8 A. I don't know.  9 <b>Q. Do you know if Northeast Logistics entered  10 into this Contractor Agreement with Parts Authority?</b>  11 A. I do not. I'm rereading it right now to  12 see if I can figure that out. I do not see. No, I  13 don't know.  14 <b>Q. Do you know if BBB Logistics entered into  15 this Contractor Agreement with Parts Authority?</b>  16 A. I do not know.  17 <b>Q. Do you know if Arizona Logistics entered  18 into this Contractor Agreement with Parts Authority?</b>  19 A. No I don't.  20 <b>Q. And do you know if Michigan Logistics  21 entered into this Contractor Agreement with Parts  22 Authority?</b>  23 A. I do not know.  24 <b>Q. Would you agree that some entity or  25 entities, doing business as Diligent Delivery</b></p>	<p style="text-align: right;">Page 31</p> <p>1 <b>Q. Do you know of any other contract between  2 Michigan Logistics and Parts Authority other than  3 Exhibits 1 and 2?</b>  4 A. No.  5 <b>Q. Do you know of any other contract between  6 BBB Logistics and Parts Authority other than  7 Exhibits 1 and 2?</b>  8 A. No.  9 <b>Q. Do you know of any other contract between  10 Arizona Logistics and Parts Authority other than  11 Exhibits 1 and 2?</b>  12 MR. MARKS: I'll object to the form  13 of all those questions to the extent that  14 they assume there is a contract between  15 Parts Authority and any other entities  16 since there was no testimony about that.  17 But your question assumes that, and he's  18 answering this compound question, and I  19 object to it.  20 <b>Q. (By Mr. Potashnick) Your answer,  21 Mr. Petty?</b>  22 A. For Arizona, no, I wouldn't know that.  23 <b>Q. Is this contract, marked as Exhibit 2,  24 still in effect?</b>  25 A. I don't know. I don't know if it ever</p>
<p style="text-align: right;">Page 30</p> <p>1 Systems, entered into this Contractor Agreement with  2 Parts Authority?  3 A. It appears so, yes, because it was signed  4 by Diligent, but -- the version I had wasn't signed  5 by Parts Authority. I don't think that matters.  6 I'm assuming it was entered, that Parts Authority  7 signed it, but maybe not. I don't know.  8 <b>Q. Do you know if this is a nationwide  9 contract?</b>  10 A. I don't know that, but I would -- yeah, I  11 don't know.  12 <b>Q. On page 5, it contains a signature for  13 contractor?</b>  14 A. Uh-huh. Yes.  15 <b>Q. Is that the signature of Larry Brown?</b>  16 A. Yes, it is.  17 <b>Q. On the bottom of each page, it has,  18 "contractor initials" and it says "LB." Is that  19 Larry Brown?</b>  20 A. Yeah. I would guess so, yeah. I don't  21 know his initials.  22 <b>Q. Do you know of any other contract between  23 Northeast Logistics and Parts Authority other than  24 Exhibits 1 or 2?</b>  25 A. No, I do not.</p>	<p style="text-align: right;">Page 32</p> <p>1 went into effect.  2 <b>Q. Did Mr. Brown have -- was he under the  3 authority to sign agreements with Diligent's  4 customers?</b>  5 MR. MARKS: Object to the form.  6 You can answer the question.  7 A. Yes.  8 <b>Q. (By Mr. Potashnick) Does Mr. Bruder have  9 authority to sign contracts with Diligent customers?</b>  10 A. Yes.  11 <b>Q. Who else, at Norlyn or the operating  12 companies, that we've been talking about today, has  13 authority to sign contracts with Diligent's  14 customers?</b>  15 A. Doak Medchill, COO. I guess, I probably  16 have the authority. But it's not really my  17 function. So I've never been asked to read and  18 approve and sign a contract with a client. I think  19 we already established Larry. So Larry Brown. The  20 general managers in the field. So a general manager  21 of BBB, that's Tom Baker or Wendi Varner, his direct  22 report, could sign a contract with a client.  23 <b>Q. Are you familiar with the term national  24 contract or national agreement?</b>  25 A. Yes.</p>

<p style="text-align: right;">Page 33</p> <p>1       <b>Q. What do the terms national agreement or</b>  2       <b>national contract mean to you?</b>  3       A. Well, for -- specifically for BBB or  4       Arizona, it would mean they could do business with  5       the client who they signed the contract with  6       anywhere in the country. The contracts, typically,  7       are there to define, you know, pricing.  8       So in my mind, doing a national contract  9       is probably establishing national pricing; whereas,  10      a local contract would establish pricing on a  11      location by location basis.  12      But in this particular instance, I  13      wouldn't know. I don't see any pricing on here, so,  14      on this one.  15      <b>Q. When you say this one, just for the</b>  16      <b>record?</b>  17      A. Exhibit 2.  18      <b>Q. Going back to Exhibit 1, is this a</b>  19      <b>national contract?</b>  20      A. I don't know. It doesn't specify  21      geography, I don't think, so. I would be assuming,  22      but I don't know for sure.  23      <b>Q. What is your assumption?</b>  24      MR. MARKS: I object.  25      A. I really wouldn't know, to be honest with</p>	<p style="text-align: right;">Page 35</p> <p>1       A. Yeah, we discussed it. And I think at the  2       time I was talking to him, he couldn't recall,  3       didn't really say clearly, one way or the other,  4       whether he remembered how deep his involvement was.  5       He sort of just said, I don't know. It was 14 years  6       ago now.  7       <b>Q. Did you speak to Larry Brown to prepare</b>  8       <b>for today's deposition about his role in the</b>  9       <b>contractor agreement, Exhibit 2?</b>  10      A. I mentioned it to him. I don't think he  11      knew what I was talking about.  12      <b>Q. Did he describe his role, at all, in a</b>  13      <b>later contract after the Master Client Services</b>  14      <b>Agreement with Parts Authority?</b>  15      A. I'm sorry, could you repeat that.  16      <b>Q. Did Mr. Brown discuss his role, in any</b>  17      <b>agreement with Parts Authority, after the Master</b>  18      <b>Client Services Agreement from 2010?</b>  19      A. No, he did not.  20      <b>Q. Did you ask Mr. Brown his role in the 2017</b>  21      <b>agreement with Parts Authority?</b>  22      A. I asked him, you know, what's with that  23      other agreement. And he kind of didn't know what I  24      was talking about.  25      <b>Q. Let's go to the interrogatory answers by</b></p>
<p style="text-align: right;">Page 34</p> <p>1       you because, I mean, it's governed by the laws of  2       the State of New York is the only sort of nexus,  3       geography I can discern reading it. So if I had to  4       assume, I would say it's based on the New York area.  5       That's the only geographic reference in here that I  6       could find other than the addendums, which they do  7       get into specific -- you know, like addendum on PA  8       0411 references Arizona Logistics. So in my mind,  9       that establishes Arizona as a geography. And PA  10      0406 establishes New York. But as for all the  11      states in between, I'm not sure if they wouldn't  12      fall under there because they don't have an  13      addendum. So I can't assume.  14      <b>Q. What was Larry Brown's role in the</b>  15      <b>negotiation or approval of Exhibit 1, The Master</b>  16      <b>Client Services Agreement?</b>  17      A. I don't know. He may have never seen it  18      or he may have been deeply involved. I don't know.  19      <b>Q. Just to make sure the record is clear, did</b>  20      <b>you speak to Larry Brown to prepare for today's</b>  21      <b>deposition?</b>  22      A. I did.  23      <b>Q. Did you talk to him about his role in the</b>  24      <b>negotiation or approval of Exhibit 1, of the Master</b>  25      <b>Client Services Agreement?</b></p>	<p style="text-align: right;">Page 36</p> <p>1       <b>Arizona Logistics.</b>  2       A. Okay.  3       (There was a brief recess.)  4       <b>Q. (By Mr. Potashnick) Let's go back on the</b>  5       <b>record. I'd like to direct your attention to the</b>  6       <b>interrogatory responses by Arizona Logistics. Let</b>  7       <b>me know when you have those</b>  8       A. I have it.  9       <b>Q. Great. Let's call this Exhibit 3, please.</b>  10      (The Court Reporter marked Plaintiff's  11      Exhibit 3.)  12      <b>Q. (By Mr. Potashnick) is that your signature</b>  13      <b>verifying these interrogatory answers on the last</b>  14      <b>page?</b>  15      A. Yes.  16      <b>Q. I'd like you to take a look at</b>  17      <b>Interrogatory 7 and the response.</b>  18      "Describe with particularity the  19      relationship between Norlyn Enterprises and each of  20      the following entities: NEL, ALI, BBB, MLI."  21      Do you recognize that as standing for  22      Northeast Logistics, Arizona Logistics, BBB  23      Logistics and Michigan Logistics?  24      MR. MARKS: Which number are you  25      talking about?</p>

<p style="text-align: right;">Page 37</p> <p>1 MR. POTASHNICK: Seven.</p> <p>2 MR. MARKS: "Identify all agreements</p> <p>3 between Ariz. Logistics and any Parts</p> <p>4 Authority entity or store"?</p> <p>5 MR. POTASHNICK: I'm sorry, Number 8.</p> <p>6 MR. MARKS: "Describe with</p> <p>7 particularity the business relationship</p> <p>8 between Ariz. Logistics and Norlyn</p> <p>9 Enterprises."</p> <p>10 MR. POTASHNICK: My apology.</p> <p>11 <b>Q. (By Mr. Potashnick) What did you mean by</b></p> <p>12 <b>"back offices services"?</b></p> <p>13 A. All those things listed: Accounting,</p> <p>14 billing, collection, finance, human resources,</p> <p>15 information technology and so on.</p> <p>16 <b>Q. Does Norlyn provide those same back office</b></p> <p>17 <b>services to Northeast Logistics and Michigan</b></p> <p>18 <b>Logistics?</b></p> <p>19 A. Yes, it does.</p> <p>20 <b>Q. What kind of human resource services does</b></p> <p>21 <b>Norlyn provide to those operating companies?</b></p> <p>22 A. Recruiting new employees. I mean, the</p> <p>23 general manager of, for example, Arizona Logistics,</p> <p>24 since this is the one we are talking about, would do</p> <p>25 the recruiting themselves locally, but the human</p>	<p style="text-align: right;">Page 39</p> <p>1 record? What is the pay record?</p> <p>2 MR. POTASHNICK: Records paid to the</p> <p>3 delivery drivers.</p> <p>4 A. The amounts that we pay the drivers are</p> <p>5 maintained at Norlyn on behalf of the operating</p> <p>6 companies.</p> <p>7 <b>Q. Does Norlyn maintain records of the work</b></p> <p>8 <b>days by the delivery drivers at all the operating</b></p> <p>9 <b>companies that we talked about today?</b></p> <p>10 A. Does it maintain records?</p> <p>11 <b>Q. Yes.</b></p> <p>12 A. Yeah. There is a central -- there is an</p> <p>13 operating system -- each operating company actually</p> <p>14 inputs the data. And so they are the ones creating</p> <p>15 the data, but it is on a system maintained at</p> <p>16 Norlyn.</p> <p>17 <b>Q. Do human resource people at Norlyn</b></p> <p>18 <b>participant in responses to delivery drivers'</b></p> <p>19 <b>complaints between the job?</b></p> <p>20 A. No. Well -- no, they don't. Human</p> <p>21 resource does not.</p> <p>22 <b>Q. Are the contracts with the delivery</b></p> <p>23 <b>drivers kept at Norlyn?</b></p> <p>24 A. They are scanned and kept, you know, on a</p> <p>25 server that is on the Cloud. So, actually, I think</p>
<p style="text-align: right;">Page 38</p> <p>1 resources people in Norlyn Enterprises would help.</p> <p>2 You know, find resumés, those type of things.</p> <p>3 If the general manager needed to</p> <p>4 discipline an employee and was going to write them</p> <p>5 up, the human resources department might help them</p> <p>6 with that, either write it up for them or read what</p> <p>7 they drafted. Or a termination, for that matter.</p> <p>8 The human resources would actually</p> <p>9 on-board a new employee. So they would -- for</p> <p>10 instance, if any of the operating companies were to</p> <p>11 hire a new employee, the human resources department</p> <p>12 at Norlyn would provide the orientation package that</p> <p>13 the employee -- would actually provide the</p> <p>14 agreements that the employees would enter into</p> <p>15 defining their role at the company, stipulating that</p> <p>16 they are an employee and so forth. The paperwork,</p> <p>17 you know.</p> <p>18 <b>Q. Does Norlyn provide the same human</b></p> <p>19 <b>resources functions, that you just described, to all</b></p> <p>20 <b>the operating companies that we talked about today?</b></p> <p>21 A. Yes, it does.</p> <p>22 <b>Q. Does Norlyn keep pay records for the</b></p> <p>23 <b>delivery drivers at all the operating companies we</b></p> <p>24 <b>have discussed today?</b></p> <p>25 MR. MARKS: I object. The pay</p>	<p style="text-align: right;">Page 40</p> <p>1 today they are signed so there is not ever really a</p> <p>2 paper contract to be kept. When a general manager</p> <p>3 contracts a new driver and they both sign the</p> <p>4 contract, and you hit save, I guess you could say</p> <p>5 it's maintained by the server that's owned by</p> <p>6 Norlyn. So, yeah, it's kept at Norlyn.</p> <p>7 <b>Q. Does Norlyn provide any of these back</b></p> <p>8 <b>office services to any company that does not do</b></p> <p>9 <b>business as Diligent Delivery Systems?</b></p> <p>10 A. No.</p> <p>11 <b>Q. In the response to Interrogatory 7, it</b></p> <p>12 <b>mentions "independent contractor resources." Wrong</b></p> <p>13 <b>document again. I meant Interrogatory 8. It</b></p> <p>14 <b>mentions "independent contractor resources."</b></p> <p>15 Can you explain to me what is meant by</p> <p>16 independent contractor resources, please.</p> <p>17 A. That is a department of people that help</p> <p>18 make sure contractors are properly contracted and</p> <p>19 that any of their insurance and driver's license --</p> <p>20 they may run a background check on a contractor.</p> <p>21 And then they would help answer contractor questions</p> <p>22 if they had a question about their settlement amount</p> <p>23 that they were paid or if they had a question about</p> <p>24 a complaint or if they didn't receive their 1099 or</p> <p>25 something like that, they may ask the general</p>

<p style="text-align: right;">Page 41</p> <p>1 manager in the field. And the manager in the field</p> <p>2 would probably ask the independent contractor</p> <p>3 resources departments to look into it.</p> <p>4 <b>Q. When you said contractors in your answer,</b></p> <p>5 <b>were you referring to delivery drivers?</b></p> <p>6 A. Yes.</p> <p>7 <b>Q. Who does Tony Carter report to?</b></p> <p>8 A. He's no longer an employee of Norlyn, but</p> <p>9 when he was, he reported to Larry Brown.</p> <p>10 <b>Q. Who has taken his position?</b></p> <p>11 A. Doak Medchill.</p> <p>12 <b>Q. Who does Doak Medchill report to?</b></p> <p>13 A. Larry Brown.</p> <p>14 <b>Q. Who does Camille Harvey report to?</b></p> <p>15 A. Doak Medchill.</p> <p>16 <b>Q. Who is over accounting and bookkeeping for</b></p> <p>17 <b>the operating companies? Is that you?</b></p> <p>18 A. Fe Cruz, the controller. And she reports</p> <p>19 to me. So, I guess, by extension, I am too.</p> <p>20 <b>Q. Is she over accounting and bookkeeping at</b></p> <p>21 <b>all of the operating companies we talked about</b></p> <p>22 <b>today?</b></p> <p>23 A. Yes. For providing the accounting and</p> <p>24 services for those companies, yes.</p> <p>25 <b>Q. I may be close to done. If we can take</b></p>	<p style="text-align: right;">Page 43</p> <p>1 <b>Q. What is the purpose or topics of those</b></p> <p>2 <b>meetings?</b></p> <p>3 A. Primarily, to ask them about sales growth</p> <p>4 and profitability.</p> <p>5 <b>Q. When you talk about profitability, does</b></p> <p>6 <b>that include gross margin?</b></p> <p>7 A. Yes.</p> <p>8 <b>Q. Does Diligent Delivery Systems consider</b></p> <p>9 <b>revenue, minus payments to delivery drivers, as the</b></p> <p>10 <b>gross margin?</b></p> <p>11 A. Yes.</p> <p>12 <b>Q. Do the operating companies' revenues, that</b></p> <p>13 <b>you have been talking about today, go into a central</b></p> <p>14 <b>account or a joint account?</b></p> <p>15 A. Yes, it is a central account called a</p> <p>16 sweep where the bank will -- if a deposit is made</p> <p>17 directly into the operating company's account, the</p> <p>18 bank automatically sweeps the monies out into a</p> <p>19 master account to make it easier for treasury</p> <p>20 management.</p> <p>21 <b>Q. That master account includes funds paid to</b></p> <p>22 <b>Northeast Logistics, Michigan Logistics, BBB</b></p> <p>23 <b>Logistics and Arizona Logistics?</b></p> <p>24 A. Correct.</p> <p>25 <b>Q. Who has control over that master account?</b></p>
<p style="text-align: right;">Page 42</p> <p>1 ten minutes, I will try and wrap this up.</p> <p>2 A. Absolutely.</p> <p>3 (There was a brief recess.)</p> <p>4 MR. POTASHNICK: We're back on the</p> <p>5 record.</p> <p>6 <b>Q. (By Mr. Potashnick) Who does Mark Stevens</b></p> <p>7 <b>report to?</b></p> <p>8 A. Doak Mudchill and Andy Van, sort of. They</p> <p>9 work together.</p> <p>10 <b>Q. Does Mark Stevens report to Doak Mudchell</b></p> <p>11 <b>and Andy VanHaverbeke?</b></p> <p>12 A. Yes, VanHaverbeke.</p> <p>13 <b>Q. Who does Andy VanHaverbeke's report to?</b></p> <p>14 A. Doak Mudchill.</p> <p>15 <b>Q. Who does Brenda Soto report to?</b></p> <p>16 A. Larry Brown.</p> <p>17 <b>Q. Who does Gina Volking report to?</b></p> <p>18 A. Fe Cruz.</p> <p>19 <b>Q. Who do the general managers of the</b></p> <p>20 <b>operating companies, that we have been talking about</b></p> <p>21 <b>today, report to?</b></p> <p>22 A. Doak Mudchill.</p> <p>23 <b>Q. Does Larry Brown have meetings with the</b></p> <p>24 <b>managers of the operating companies?</b></p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 44</p> <p>1 A. The accounting department -- the signer on</p> <p>2 the account is Larry Baker. So if there was to be a</p> <p>3 wire transfer out of that account, it would require</p> <p>4 Larry's approval. But normal day-to-day monies</p> <p>5 moving in and out of the account are sort of</p> <p>6 de-facto controlled by the accounting department</p> <p>7 because they are the ones making the deposits and</p> <p>8 writing the checks, either directly from that</p> <p>9 account or to one of the other accounts, which is</p> <p>10 going to impact that master account.</p> <p>11 <b>Q. When you say the account department, is</b></p> <p>12 <b>that the accounting department at Norlyn Enterprises</b></p> <p>13 <b>at the home office?</b></p> <p>14 A. Correct, at Norlyn Enterprises.</p> <p>15 <b>Q. Is that under the control of Fe Cruz?</b></p> <p>16 A. Yes.</p> <p>17 MR. POTASHNICK: That's all I have.</p> <p>18 Thank you very much, Mr. Petty. I really</p> <p>19 appreciate your time and effort today.</p> <p>20</p> <p>21 (Signature was not waived.)</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

<p style="text-align: right;">Page 45</p> <p>1</p> <p>2                   C E R T I F I C A T E</p> <p>3</p> <p>4                   I, Darla D. Thompson, CCR, RPR, and IL.</p> <p>5                   CSR, do hereby certify that pursuant to Notice there</p> <p>6                   came before me Darl Petty, who was by me first duly</p> <p>7                   sworn of his oath to testify to the truth of his</p> <p>8                   knowledge touching and concerning the matters in</p> <p>9                   controversy in this cause; that he was thereupon</p> <p>10                  examined upon his oath, and his examination was</p> <p>11                  taken in shorthand by me and later transcribed into</p> <p>12                  computer-aided transcription under my supervision,</p> <p>13                  and that the deposition is a true record of the</p> <p>14                  testimony given by the witness.</p> <p>15                  IN WITNESS WHEREOF, I have hereunto</p> <p>16                  subscribed my name this 16th day of May 2021.</p> <p>17</p> <p>18</p> <p>19</p> <p>20                  Darla D. Thompson, CCR, RPR, IL. CSR</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 47</p> <p>1                   TRANSCRIPT CORRECTION SHEET</p> <p>2</p> <p>3                   Upon reading the deposition and before subscribing</p> <p>4                   thereto, the deponent indicated the following</p> <p>5                   changes:</p> <p>6</p> <p>7                   (Any misspellings may be noted once with the</p> <p>8                   notation to change throughout transcript.)</p> <p>9                   Page ___, Line ___, Should read:</p> <p>10                  Reason for change:</p> <p>11</p> <p>12                  Page ___, Line ___, Should read:</p> <p>13                  Reason for change:</p> <p>14                  Page ___, Line ___, Should read:</p> <p>15                  Reason for change:</p> <p>16</p> <p>17                  Page ___, Line ___, Should read:</p> <p>18                  Reason for change:</p> <p>19</p> <p>20                  SIGNATURE OF DEPONENT</p> <p>21                  (DDT)       BI-STATE REPORTING, INC</p> <p>22                  (314) 805-6578</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 46</p> <p>1</p> <p>2</p> <p>3                   I, DARL PETTY, hereby state that I have</p> <p>4                   read the foregoing questions and answers appearing</p> <p>5                   in this transcript of my deposition, and that this</p> <p>6                   is a true and accurate (corrected) report of said</p> <p>7                   answers given in response to the questions appearing</p> <p>8                   herein.</p> <p>9</p> <p>10</p> <p>11                  DARL PETTY</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16                  Subscribed before me this ____ day of</p> <p>17                  _____, 2021.</p> <p>18</p> <p>19</p> <p>20                  My commission expires</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page -1</p> <p>1                  Page ___, Line ___, Should read:</p> <p>2                  Reason for change:</p> <p>3</p> <p>4                  Page ___, Line ___, Should read:</p> <p>5                  Reason for change:</p> <p>6                  Page ___, Line ___, Should read:</p> <p>7                  Reason for change:</p> <p>8</p> <p>9                  Page ___, Line ___, Should read:</p> <p>10                 Reason for change:</p> <p>11                 Page ___, Line ___, Should read:</p> <p>12                 Reason for change:</p> <p>13</p> <p>14                 Page ___, Line ___, Should read:</p> <p>15                 Reason for change:</p> <p>16                 Page ___, Line ___, Should read:</p> <p>17                 Reason for change:</p> <p>18                 Page ___, Line ___, Should read:</p> <p>19                 Reason for change:</p> <p>20</p> <p>21                  SIGNATURE OF DEPONENT</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>